EXHIBIT 16

FILED UNDER SEAL

Analytic Software Tools Global Price List

Business Science
Enterprise Decision Management
Design & Deployment
Tools & Infrastructure Software

Global Price List

Effective: 10/10/03

Revisions:

Date	Revision
12/10/02	First Official Version
05/06/2003	Added pricing for Model Builder for Predictive Analytics, minor amendments.
08/22/2003	Amended pricing for Model Builder for Predictive Analytics, MBDT
9/15/2003	General simplification and editing. Added additional guidelines on pricing options and avoiding problems with revenue recognition and contracting. Added Cumulative Volume Discounts, removed ELA pricing, added Named Application/Business Function pricing for Blaze Advisor options. Raised prices further on MB4DT. Eliminated Per CPU pricing on MB4PA Deployment Server.
9/25/2003	Amended naming of Model Builder for Predictive Analytics Scorecard Module

If you need to propose pricing different from the pricing in this price book, please contact the relevant MOMs:

Blaze Advisor & Blaze Decision System	Jeff Kilbreth (jeffreykilbreth@fairisaac.com)
Model Builder for Predictive Analytics	Frederica Yang (fredericayang@fairisaac.com)
Decision Optimizer	Craig MacDonald (craigmacdonald@fairisaac.com)

For multi-product Business Science pricing questions, or if any of the above are unavailable, please contact Chris Semones (chrissemones@fairisaac.com)
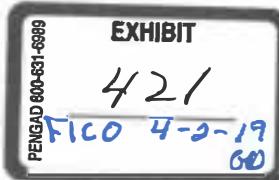
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2   LICENSE TYPES, INTERNATIONAL PRICING & DISCOUNT SCHEDULES

2.1   Introduction

This document is the official "price book" for the Fair Isaac Business Science suite of Enterprise Decision Management design tools and deployment software.

2.1.1   License Types - Recurring and Perpetual

All products are available on a *recurring annual fee basis*. When a *recurring fee* is charged, this single fee includes license, maintenance and support. Some products, such as Blaze Advisor, are most commonly sold on a *perpetual* license basis due to the predominant practices in the world of IT purchasing. An annual maintenance and support fee of 18% is charged on all *perpetual* licenses. In general, Fair Isaac's position is that the tools that allow customers to build sophisticated mathematical models should, wherever possible, be sold on an annual fee basis.

2.1.2   License Types & Terms

* **Perpetual** – license fees and first year's maintenance are committed at signing and before shipment of software. Payment is due within 30 days. If maintenance is allowed to lapse after the first year, a re-start fee may be charged if maintenance is reinstated.
* **Annual** – contracts can be for one, two or three years. The commitment is made at contract signing and the fee is due within 30 days.

2.1.3   International Pricing

All license prices are in US dollars – Fair, Isaac Finance Authorization Policy requires pre-approval from the "Treasury Manager" of any contract denominated in foreign currencies. The license prices quoted in this document are for the United States, Canada, Europe, Australia, New Zealand and Japan. *License prices in Latin America, the Middle East and Asia outside of Japan are 80% of the quoted license prices. If prices in these lower price areas need to be reduced below 80% of US list prices here, then permission must be sought from the relevant Market Offering Manager (MOM), as with any other form of non-standard discount. First Level Tech Support in languages other than English may sometimes be provided by partners or the customer may request a discount based on reduced quality of support (time zone availability, language). In these cases, 4 points of the 18% annual maintenance fee may be negotiated out or given to our Reseller/Partner.*

2.2   Discount Schedules for Perpetual Licenses

2.2.1   Standard Order Volume Discount Schedule

When calculating an order volume discount, Starter Kits are, by definition, ineligible. Development Seat Packs are eligible: Take gross, list prices and apply the discount in this table.

Total One-Time Perpetual License Fees in a Single Order @ List	Discount
$0 - $100,000	0%
$100,000 - $200,000	5%
$200,000 - $300,000	10%
$301,000 - $500,000	15%
$501,000 - $750,000	20%
$751,000 - $1,000,000	25%
$1,000,000 - $2,000,000	30%
Greater than $2,000,000	40%

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Discounts are on net product license fees only. Annual support[1] and professional services may not be included in the calculation of an order volume discount and do not get discounted using this discount schedule. Any additional discounts require approval by the relevant MOM.

2.2.2 Standard Cumulative Net License Purchase Volume Discount Schedules

Some of our customers will place an initial order or two with the appropriate **order volume discount** and the simple expectation that they may move towards an Enterprise License Agreement in the future. Other customers will prefer to include a Cumulative Net License Purchase Volume Discount Schedule in their Master Agreement so that they will earn progressively larger discounts as their purchases accumulate over time. These customers simply prefer this mechanism to an Enterprise License Agreement. To support this, we have two Cumulative Net License Volume Purchase Discount Schedules as very large Global 200 customers who do more than $20 bil/year in sales would reasonably expect a different schedule than regular Global 2000 customers who fall below $20 bil/year.

Cumulative Net License Purchase Volume Discount Schedule for Global 200 class customers

$0	to	$249,999	10%
$250,000	to	$749,999	20%
$750,000	to	$1,499,999	25%
$1,500,000	to	$1,999,999	30%
$2,000,000	to	$2,499,999	35%
$2,500,000	to	$2,999,999	40%
$3,000,000	to	$3,999,999	45%
$4,000,000	and	above	50%

Cumulative Net License Purchase Volume Discount Schedule for Global 2000 class customers

$0	to	$249,999	10%
$250,000	to	$499,999	15%
$500,000	to	$749,999	20%
$750,000	to	$999,999	25%
$1 mil	to	$1,499,999	30%
$1,500,000	and	over	40%

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[1] We are sometimes willing to discount maintenance to 15% in exceptional circumstances. Requires approval from the relevant MOM.

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2.2.3 Marketing/Reference Client Discount

Customers who provide at least three of the following marketing activities in support of one or more of our products may be offered a 5 or 10% marketing support discount. A press release <u>and</u> a Case Study is mandatory for a 10% marketing support discount.

1. Press release announcing selection of one or more of the products within the Business Science tools suite

2. Acting as a reference account after a defined period of familiarization, development and testing. Serving as a Reference Account includes:

    a. Prospect telephone interviews: Agree to participate in at least four client reference calls annually

    b. Prospect Site Visits: Agree to host up to two site visits annually [2]

3. Providing support for the development of a "Case Study"(application profile) or white paper on the usefulness of any of our Business Science EDM products in their industry

4. Providing performance data that will help Fair, Isaac characterize rule, model or optimization execution under defined circumstances

2.3 Do's and Dont's for Revenue Recognition & Contracting

- Discounting annual maintenance on perpetual licenses below 15% of net license fees
- Discounting training more than 15% from published rates
- Discounting professional services more than 15% from published rates (hourly or service product)
- Having PS or Training in the same sales orders as license sales if discounting PS or Training more than 15% from established list prices
- Giving anything we sell away at "zero" cost instead of providing a standard or special discount
- Promising future discounts other than through an approved Cumulative Net License Purchase Volume Discount
- Having a cumulative net volume discount schedule apply to any product not in the initial order associated with the schedule.
- Offering extended payment terms beyond 3 months. (It can be perfectly sensible and is completely acceptable to offer a payment schedule that will result in a series of revenue recognition events tied to the individual payments – this item refers to the limits on the upfront recognition of all of the revenue in a perpetual license agreement. Sometimes, with appropriate boilerplate regarding budgetary necessity, it is possible to recognize all revenue from a perpetual license despite having payment terms extended over more than three months, but this is rare and requires the approval of the Revenue Accounting department)
- We must always attempt to protect our right to terminate a contract if the customer violates our intellectual property or uses our software in an unlicensed manner
    o Shutting them down in terms of their use of our software in a licensed fashion is an extremely harsh thing to do. Our standard contract gives us this right and some customers will protest
    o The penalty ought to fit the crime. A "rogue employee" could do something that warrants taking the customer to court but that doesn't justify shutting our customer down
    o Alternative language can be crafted
- Our right to take a customer to court for monetary damages needs to be practical and straightforward
    o Sometimes customers will attempt to place a very high burden of proof on us, limit our access to court to specific violations, or cap the compensation we can receive
    o We can't allow our hands to be tied and we can't accept caps on damages, but we can work with language.

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[2] Some other combination totaling 6 will be considered e.g. 6 reference calls and 0 visits

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2.4 Educational Discount

All products in the Fair, Isaac Business Science suite are available for use in education and research at a reduced rate calculated as follows:

- 25% of the current perpetual license for a 3 year term-limited license
- 25% of the current annual license fee for a 3 year term-limited license

At the end of the 3 year period, the contract may be renewed. Upgrades released during the contract term will be shipped normally. Education and research customers are eligible for support under these arrangements at no additional charge. In the event that an educational establishment wishes to use the products for commercial use or to run internal systems other than for research or education, normal prices apply.

2.5 Government Discount

A standard discount of an additional 5% can be offered to any government agency.

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3   SPECIAL CONTRACT ARRANGEMENTS

3.1   Overview

Sometimes customers request non-standard pricing arrangements. These arrangements are most commonly encountered with Enterprise License Agreements for products, such as Blaze Advisor, that are generally sold on a perpetual license basis. The motivation behind most of these special arrangements is usually a customer wishing to negotiate a long term commitment but needing to spread payments out over time or desiring an escape clause whereby a major, long term commitment could be terminated in an amicable fashion.

3.2   Conversion from Perpetual License Pricing to Recurring Annual Fee

Business Science products with a perpetual license fee as the standard pricing structure, with 18% per year added for technical support and the right to upgrades may be converted to an annual rental using the following table.   A three year contract is the minimum commitment that will be considered.

Length of contract	Conversion percentage to calculate annual fee
3 Years	45% of perpetual license fee
6 Years	40% of perpetual license fee

The right to use the product (the license) as well as the right to technical support and product upgrades are included in the annual fee which is why 45% X 3 = 135%. This compares to 100% + (3 X 18% maintenance) = 156%. Customers paying an annual fee have no right to continue using the software once they stop making annual payments. Contracts will have an "Evergreen Clause" that has the contract be automatically extended on an annual basis after the contract term for the same annual fee + Consumer Price Index and will do so automatically unless cancelled by the customer. After adjusting for the time value of money, we begin to come out ahead with an annual fee approach after 6 years of usage (6 X 40% = 240% vs. 100% + 18% X 6 = 208%).

3.3   Lease to Purchase Contracts

Should a customer want a "lease to buy" arrangement, this can be arranged. Such arrangements must be approved by the appropriate MOM and would start at 65% per year for a 3 Year time period (maintenance included). The difference between 195% (65% X 3) of the net Perpetual License price and 156% (100% + 3 X 18%) can be justified based on the time value of money and the value of the insurance associated with the customer's right to terminate the lease at the end of year one or year two.

3.4   Extended Payment Terms

Should a customer want to make a large purchase but simply spread license payments over time, this can also be arranged. Such arrangements assume the customer is making a contractual commitment to purchase the complete license. We are simply assisting them to spread payment out over a reasonable period of time to reflect the rate of deployment or to assist the customer with budgeting issues. Such arrangements must be approved by the appropriate MOM and would be customized and priced to fit the size of the license purchase and the rate at which applications using decision-making services built with our tools will be rolled out. For example, a $3 mil ELA might be paid in 3 installments of $1 million each without any mark-up for the time value of money, whereas a $750K ELA might be converted to $300K per year for 3 years to recognize the time value of money.

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4   PRICING EXAMPLES

Rules Management Starter

A first time customer needs to get started with rules based development on 2 development workstations and a 4 CPU deployment box.

Item	#	Item Price	Total	Comments
Blaze Advisor Premium Starter Kit	1	$84,700	$84,700	No discount allowed
Blaze Advisor additional CPUs	2	$40,000	$80,000	
Blaze Advisor Premium Services Starter Kit	1	$19,950	$19,950	
License Discount			$0	Only $80,000 eligible so 0%
First Year Maintenance @ 18%			$29,646	Starter Kit + additional CPUs
Total – first year			$134,376	
Total – subsequent years			$29,646	

Standard Rules Management Sale

A customer wants to use Blaze Advisor on a project and prefers to price based on the number of CPUs they are planning to use. They are willing to do a number of marketing activities (acting as a reference etc). They have three developers identified as needing training and development licenses and plan to use a 4 CPU box for deployment. They want some basic mentoring assistance as well.

Item	#	Item Price	Total	Comments
Blaze Advisor CPUs	4	$40,000	$160,000	
Blaze Advisor Development Seats – 3 pack	1	$52,500	$52,500	
Blaze Advisor Premium Services Starter Kit	1	$19,950	$19,950	2 weeks mentoring, 2 training spots
Public Fundamentals Class attendee	1	$2,700	$2,700	3rd training spot
Volume Discount			($21,250)	$212,500 eligible so 10%
Marketing Discount			($10,625)	5%
First Year Maintenance @ 18%			$32,512	Of Net License fees - $180,625
Total – first year			$235,787	
Total – subsequent years			$32,512	

Decision Design and Deployment Sale

A customer wants to do rules-based development and wants high batch performance using Java as part of the solution. They want to price the tools the same way they price their database, by CPU, as they plan to use the same CPUs for several small projects over time. They are planning to use 3 CPUs on their mainframe for the project. They need Blaze Advisor with the high performance engine option.

Item	#	Item Price	Total	Comments
Decision Design and Deployment CPUs	3	$120,000	$360,000	CPUs are high performance
Hot Backup machine of similar size	3	$10,000	$30,000	
Development Seats – 5 Pack	1	$75,000	$75,000	
Onsite Blaze Advisor Fundamentals	1	$17,500	$17,500	
License Discount			($69,750)	$465,000 eligible so 15%
First Year Maintenance @ 18%			$71,145	Of Net License $395,250
Total			$483,895	
Total – subsequent years			$71,145	

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Decision Design and Deployment Business Function Sale

A customer wants to integrate models and rules in a large project and wants to be able to change the machines on which they deploy the project without having to buy more licenses. They want a simple price based on the scope of the project.

Item	#	Item Price	Total	Comments
Decision Design and Deployment – Large Project	1	$750,000	$750,000	No discount allowed
Development Seats – 10 Pack	1	$125,000	$125,000	
Blaze Decision System Training Class	5	$2,500	$12,500	Mandatory
Blaze Decision System Consulting	1		TBD	Mandatory
License Discount			($6,250)	$125,000 eligible so 5%
First Year Maintenance @ 18%			$156,375	Of Net License $868,750
Total			**$1,037,625**	
Total – subsequent years			**$156,375**	

Blaze Advisor & Blaze Decision System with Decision Trees

A small company wants to make rules based development a standard part of their enterprise development approach and wants projects to be able to use the tools without restriction. They are keen to develop their own decision trees by analyzing historical data and then deploy them into their rules-based environment. They are also a user of custom scorecards developed by Fair, Isaac and want to be able to deploy them also. The customer needs both Blaze Advisor and Blaze Decision System.

Item	#	Item Price	Total	Comments
"Large" Named Application Deployment	1	$750,000	$750,000	
Development Seats – 5 Pack	1	$75,000	$75,000	
Model Builder For Decision Trees – 5 Pack	1	$56,000	$56,000	Annual Fee
License Discount			$0	Only $75,000 eligible so 0%
Onsite Blaze Advisor Fundamentals	1	$17,500	$17,500	
Blaze Decision System Training Class	5	$2,500	$12,500	Mandatory
Blaze Decision System Consulting	1		TBD	Mandatory
Model Builder for Decision Trees Training	1	$5,000	$5,000	
Model Builder for Decision Trees Consulting	1	$6,250	$6,250	20 hours
First Year Maintenance @ 18%			$148,500	Of Net License fee $825,000
Total – first year			**$1,057,500**	License, maintenance and annual fee
Total – subsequent years			**$202,500**	Maintenance and annual fee

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Model Builder with Team Development Server only

A customer wants to develop and test predictive models in a team environment and have a second Test environment.

Item	#	Annual Fee Per Unit	Total Annual Fee	Comments
Workbench 10 Pack	1	$96,000	$96,000	
1 2-CPU Server for model development	2	$16,000	$32,000	
1 2-CPU Server for model testing & team development	2	$16,000	$32,000	
Total			$139,000	

Model Builder with Named Application deployment and Scorecard Module

A customer wants to develop models and then deploy them in support of a "Large" Named Application. Prices are all annual.

Item	#	Annual Fee Per Unit	Total Annual Fee	Comments
Workbench 3 Pack	1	$31,500	$31,500	
Scorecard Module 3 Pack	1	$110,500	$110,500	
1 2-CPU Server for team model development and testing	2	$16,000	$32,000	
Deployment Server – Large Named Application	1	$300,000	$300,000	
Total			$474,000	

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5   MODEL BUILDER ANALYTIC TOOLS

5.1   Introduction

The Model Builder family includes two primary products:

- **Model Builder for Decision Trees** – which supports the sophisticated statistical analysis of large databases to develop segmentation rules that can be used by Model Builder for Predictive Analytics, Decision Optimizer, Blaze Advisor or Blaze Decision System
- **Model Builder for Predictive Analytics** – which supports the complete model development process for predictive models (regression, neural net, scorecard, etc)

Please note:

All contracts require a 3 year minimum term.

All pricing in based on an annual subscription and includes the right to use the software, the right to product updates and access to Tech Support.

All seat pricing assumes named users, not concurrent users.

5.2 Model Builder for Decision Trees

The 2.0 release of Strategy Designer is re-named Model Builder for Decision Trees. The price has been increased to reflect greater functionality.[3]

5.2.1   Seat Pricing

Number of Seats	Annual Fee	SKU	Alternative Perpetual License Fee
Single seat	$15,000	MBDT1	$37,500
3 Pack	$40,000	MBDT3	$100,000
5 Pack	$55,000	MBDT5	$137,500
10 Pack	$100,000	MBDT10	$250,000
20 Pack	$150,000	MBDT20	$375,000
> 20 seats	$3,000/seat		$7,500/seat

Alternative Perpetual License Fee requires an additional 18% annual maintenance fee.

5.2.2   Decision Area Pricing

Decision Area pricing is available. Particularly useful to existing TRIAD and Decision System cross-sells (for example, Origination, Collections, Application Processing). Decision Area Pricing Size of the software needs to be determined by the sales lead. Assumes unlimited seat usage by decision area.

Usage	Annual Fee	SKU	Alternative Perpetual License Fee
Single Decision Area	$50,000/year	MBDTPRJ	$125,000

Alternative Perpetual License Fee requires an additional 18% annual maintenance fee.

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[3] The old pricing for a 3 year contract worked out at a total of $50,000 for 4 seats for 3 years.

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5.2.3 Model Builder for Decision Trees - Professional Services

1 day of Training and 20 hours of Strategy Consulting is mandatory for first time purchases. This is optional for license extensions.

Service	Price	SKU
Training (1 day)	$5,000	MBDTTRAIN
Consulting (20 hrs)	$6,250	MBDTCONS

Travel & expenses will be charged as incurred.

Training and Consulting must be conducted within first year.

5.3 Model Builder for Predictive Analytics

Model Builder for Predictive Analytics is an end-to-end model development and deployment software tool. The software enables modelers to build predictive analytics that can be seamlessly deployed by IT staff into production environments. It incorporates advanced mathematical techniques to let companies analyze historical data, construct and validate predictive models and deploy these models into production.

Model Builder for Predictive Analytics is client/server based software.

Clients are charged by the number of seats and servers by CPU.

All fees are priced based on an annual subscription fee, which includes license and maintenance.

Model Builder for Predictive Analytics comprises of 4 main software modules. Each customer must purchase at least one Modeling Workbench and one Modeling Server:

- *Model Builder for Predictive Analytics – Workbench*: available on a per-seat basis
- *Model Builder for Predictive Analytics - Optional Modules*: available on a per-seat basis. Only available with purchase of Model Builder for Predictive Analytics Workbench.
- *Model Builder for Predictive Analytics –Modeling Server*: available on a per-CPU basis.
- *Model Builder for Predictive Analytics –Deployment Server*: available on a business application

All contracts are annual subscription based, which includes license and maintenance. All licenses give customers right to free upgrades.

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5.3.1 Model Builder for Predictive Analytics – Workbench

The Workbench is the front-end interactive interface that enables users (e.g. modeler or IT implementation staff) to design, build and share the core components that make up a predictive modeling process.

Number of Seats	Annual Fee	SKU
Single seat	$12,000	MBDEV
3 Pack	$31,500	MBDEV3
5 Pack	$45,000	MBDEV5
10 Pack	$75,000	MBDEV10
20 Pack	$100,000	MBDEV20
>20	$3,000/seat	

For example, 10 seats would be priced at a 10-pack price of $76,000/year.

For more than fifty seats, additional seats can be sold individually at $3,000/seat/year.

At least 1 Modeling Server CPU is required to run a single seat of the Workbench. A good rule of thumb to begin with is 1 CPU Modeling Server per seat installation. Hence, a single seat/CPU of Model Builder for Predictive Analytics will be $28,000/year ($12,000 + $16,000)

Model Builder for Predictive Analytics – Optional Modules

Optional Modules showcase Fair, Isaac's proprietary analytics and model development capabilities, which can be bought selectively to add functionality to the Workbench.

Optional Modules are based on number of seats and available only to customers who purchase the Workbench. The number of Optional Module seats may not exceed the number of Workbench seats.

Over time, as Fair, Isaac's Analytics R&D in conjunction with the Model Builder team commercializes more technology, they will be added either as free upgrades to the Workbench, or as an Optional Modules, as deemed appropriate based on proprietary nature of the software/technology. In the future, we see possibly adding text mining, automated variable creation, relevant clustering capabilities as additional Optional Modules.

Pricing is incremental to Modeling Workbench prices.

Scorecard Module

The Scorecard Module is available as an Optional Module to Model Builder and replaces Fair Isaac's INFORM+ technology. This module provides Fair Isaac technology for building customer behavioral and application scorecards. Model Builder Scorecard Module incorporates reject inference, interactive classing and binning, and advanced score engineering capabilities to aid in model explanatory ability.

Scorecard Module prices are incremental to Model Builder Workbench prices. So, a single installation of the Scorecard Module would be $78,000/year, which includes 1 seat of the Workbench, a single Modeling Server CPU, as well as a single seat of the Scorecard Module ($12,000 + $16,000 + $50,000).

Number of Seats	Annual Fee	SKU
Single seat	$50,000	INFDEV
3 Pack	$110,500	INFDEV3
5 Pack	$135,000	INFDEV5
10 Pack	$187,500	INFDEV10
20 Pack	$275,000	INFDEV20
> 20	$10,000/seat	

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5.3.2 Model Builder for Predictive Analytics – Modeling Server - Per CPU Pricing

The Modeling Server is a scalable job management system the runs modeling processes designed with the Workbench (e.g. merging files, developing a regression, scoring records in a database). The Workbench and Modeling Server work closely together to allow the user to interactively run jobs as well as execute large modeling jobs.

The minimum Model Builder solution requires at least one Modeling Server CPU with one Workbench seat (for example, running both on a local PC). The Modeling Server can be installed on a single server and accessed by a single user, or as an independent server accessed simultaneously by multiple users.

CPU costs are cumulative. For example, a 10 CPU server would be $144,000, where the first 8 CPU are $16,000/CPU and the 9th/10th CPU is at $8,000/CPU.

Additionally, cost per CPU is dependent on total number of CPU's (regardless of number of servers). For example, a second 32 CPU server would be $248,000/year, where the pricing is $8,000/CPU for 30 CPU and $4,000/CPU for 2 CPU. In total, the company would have 42 CPU.

Cumulative CPU	Annual Fee	SKU[4]
1-8	$16,000/CPU	MBMSVT1
9-32	$8,000/CPU	MBMSVT2
33 – 64	$4,000/CPU	MBMSVT3
> 64	$2,500/CPU	MBMSVT4

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[4] Number of CPU's goes at the end of each. For example: if 4 High-Performance CPU's are purchased then the SKU is DEP-HP4

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5.3.3 Model Builder for Predictive Analytics – Deployment Server

One of the key benefits of Model Builder is the ability to seamlessly deploy model runtime code directly into a production environment. Additionally, Model Builder enables users to monitor runtime scores on an ongoing basis against expected outcomes, raising alarms if actual score performance is out of tolerance with expected results.

The Model Builder Deployment Server is a model execution harness that replaces custom coding of models in a production application. It is an installed and supported model execution harness which is required to support seamless deployment and ongoing monitoring/validity checking of Model Builder models to systems not running on the Modeling Server.

If model scoring is executed directly on a Modeling Server or if models are exported as XML and recoded into external production environments, no Deployment Server license is required.

Deployment Server is priced either by business application or by CPU. The preference is by Business Application.

Model Builder for Predictive Analytics – Deployment Server Pricing by Business Application

Business Application pricing scopes the use of the deployment licenses to a single named application, project or business process within a specified business unit. A rough assessment of the number of CPUs or number of transactions can be used to size a business application size initially.

Business Application Size	Annual Subscription Fee	SKU
Small	$125,000/year	
Medium	$200,000/year	
Large	$300,000/year	
Very Large	$450,000/year	

5.3.4 Model Builder for Predictive Analytics – Required Professional Services

Mandatory Services	Fee	SKU
MBPA Basic Training	$15,000	
MBPA Scorecard Module Training[5]	$20,000	
MBPA Technical Implementation Training[6]	$15,000	

Travel and expenses will be charged as incurred.

Training and Consulting must be conducted within first year.

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[5] Required for Scorecard Module customers

[6] Required for customers who will use MBPA for model deployment

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6 DECISION OPTIMIZER

6.1 Introduction

Decision Optimizer is the optimization tool Fair, Isaac uses to develop Strategy Science offerings.

6.2 Pricing

For a single decision area, pricing is dependent on the size of company and is an annual fee. Training and consulting is required. - Service packages for Decision Optimizer are developed on a custom basis by the Professional Services organization.

	Annual Fee	SKU
Small Application	$120,000/year	DOSML
Medium Application	$200,000/year	DOMED
Large Application	$300,000/year	DOLRG
Very Large Application	$500,000/year	DOVLRG

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7   BLAZE DECISION MANAGEMENT

7.1 Introduction

There are two products and a few product options that may be referred to as "Decision Design and Deployment Tools." However, as Blaze Advisor is the flagship product and has wide name recognition, we often refer to these products and options collectively as "Blaze" or the "Blaze family" of products. There are two main products:

- Blaze Advisor which has two components that are sold separately:
    a. Blaze Advisor Development for object modeling, rule service design, rule maintenance application development and testing of rules and rule services
    b. Blaze Advisor Deployment for deployment of rule services into production servers and the management of rule service updates while in production
- Blaze Decision System which is sold as a single product that
    a. Provides design tools to define rules and scorecards
    b. Provides code generation and deployment tools

In general, the strengths of Blaze Advisor are in rules and deployment, and the strengths of Blaze Decision System are in scorecard specification and code generation.

Blaze Advisor has a growing list of options which are sold as "add-ons" to a regular Blaze Advisor license. Examples include, with first ship dates:

- Java code generation for high speed processing (resticted to Java running against Java objects) – Nov 2002
- XML Manager for Insurance – for the definition of "intelligent" ACORD-based XML messages that can enforce conditional data requirements in the data entry process or in a batch upload process – May 2003
- Web Forms – for the design of GUIs that can enforce conditional data requirements – scheduled for December 2003
- Scorecard Module – for the specification of scorecards with reason codes that can execute as steps in a Blaze Advisor rule service – a native Blaze Advisor implementation of most of the scorecard functionality of Blaze Decision System – scheduled for December 2003
- Reporting Module – scheduled for 2H 2004
- Rule Analysis & Automation Module – scheduled for 2H 2004
- Audit Module – scheduled for 2H 2004

A number of different production deployment license options are offered for these products. A deployment license for Blaze Advisor or Blaze Decision System allows the software to be run on a system handling production-level processing. This means working with real data supporting the actual business operations of the company, whether customer-facing or internal. It is not intended for systems used solely to support quality assurance, testing, or training.

- Starter Kits for Blaze Advisor only, limited to one per customer or customer division
- Per CPU Deployment for Blaze Advisor and Blaze Decision System, with distinctions between Mainframe and Unix or NT-based machines
- Named Application or Business Function Deployment for Blaze Advisor and Blaze Decision System
- Unlimited Enterprise-wide Deployment (Enterprise License Agreements or ELAs) which are always priced on a custom basis

7.2 Rules Management Starter Kits

Starter Kits are targeted towards smaller customers or to give a prospect the chance to try the product in a real situation without a major investment. They can also be useful in winning the first sale against competition.

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7.2.1 Licenses

Starter Kits contain Development and Deployment licenses for Blaze Advisor. The number of development seats and deployment CPU's (Standard type) included depends on what kit is purchased.

Starter Kit	Development License(s)	Deployment License(s)[7]	License Fee	SKU
Basic	1 Seat	1 Standard CPU	$42,330	ABASIC
Premium	2 Seats	2 Standard CPU's	$84,700	APREMIUM

Maintenance for the Starter Kit is 18% of the license fee and first year maintenance must be purchased.

7.2.2 Services

Customers that purchase Services Starter Kits receive training from Blaze Advisor trainers and receive one to two weeks of mentoring from Blaze Advisor professional services staff. The number of students that are registered for a Blaze Advisor Fundaments training course as well as the number of weeks Blaze Advisor professional services staff will mentor client developers is dependent on which kit is purchased.

Professional Services engagements operate on a **time and expenses** basis i.e. travel expenses (T&E) and is not included in the rate. Expenses are invoiced as actual expenses incurred according to the then current "Allowable Expenses" policy. The mentoring service in these packs is typically provided as a single, contiguous block of 40 hours in a single week.

Service Starter Kit	Educational Services	Professional Services	Fee	SKU
Basic	1 Student for Blaze Advisor Fundamentals Course	1 Week Mentoring Service	$9,950	ASERVB
Premium	2 Students for Blaze Advisor Fundamentals Course	2 Week Mentoring Service	$19,950	ASERVP

NOTES:

- Starter Kit fees (both License & Services) cannot be discounted
- Only customers that are purchasing Blaze Advisor for the first time can purchase Starter Kits
- Unique divisions within one corporation can purchase Starter Kits as long as that division has not purchased Blaze Advisor previously
- Starter Kit fees are excluded from Order Volume Discount calculations. They may be included in Cumulative Net License Purchase discount calculations.

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[7] Deployment licenses for Starter Kits are for dedicated CPU's (1 for Basic or 2 for Premium) only.

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7.3 Per CPU Deployment Pricing

Product	License Fee	SKU[8]
Blaze Decision System		
High Performance CPU (S/390)[9]	$120,000/CPU	DDDEP-HP
Standard CPU	$60,000/CPU	DDDEP-STD
Hot Backup (Linked to a regular installation)	$10,000/CPU	DDDEP-BACK
Blaze Advisor		
High-Performance CPU (S/390)[10]	$80,000/CPU	BADEP-HP
Standard CPU	$40,000/CPU	BADEP-STD
Highly Redundant or Distributed CPU's (Server Farm, Micro Servers)[11]	$25,000/CPU	BADEP-RED
Hot Backup (Linked to a regular installation)	$10,000/CPU	BADEP-BACK

In general we prefer not to use per CPU pricing when Named Application or Business Function pricing can be negotiated.

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[8] Number of CPU's goes at the end of each. For example: if 4 High-Performance CPU's are purchased then the SKU is BADEP-HP4

9 Minimum of 3 CPUs

10 Minimum of 3 CPUs

[11] Minimum of 8 CPU's. Highly Redundant or Distributed CPU pricing is to be used when the deployment CPU's are not dedicated solely to running Blaze Advisor rule services but are simultaneously running other applications.

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7.4   Named Application or Business Function Pricing for Deployment

Business Function pricing scopes the use of the deployment licenses to a single named project or business process within a specified business unit. It is the only way we sell Blaze Decision System and should be used instead of per-CPU pricing for Blaze Advisor wherever possible. These licenses are priced based on size of application and size of company, and based on whether either or both of our commonly needed "high value" options are needed – Scorecards with Reason Codes and Code Generation for high performance execution (C, Cobol or Java for BDS and Java for BA).

Product	Project Size	License Fee	SKU
Blaze Advisor without Scorecards or High Performance Code Generation	Small	$200,000	BAPRJSML
	Medium	$350,000	BAPRJMED
	Large	$500,000	BAPRJLRG
	Very Large	$1,000,000	BAPRJVLRG
Blaze Decision System or Blaze Advisor with Scorecards and/or High Performance Code Generation	Small	$300,000	DDPRJSML
	Medium	$525,000	DDPRJMED
	Large	$750,000	DDPRJLRG
	Very Large	$1,500,000	DDPRJVLRG

7.4.1   Named Application or Business Function Pricing for Blaze Advisor Options

As Add-On sales to existing customers or as part of an initial sale, the following options are currently available with Blaze Advisor. Web Forms for GUI Definition & Generation with embedded conditional requirements will be available in Blaze Advisor 5.5 (Dec 03) along with a Blaze Advisor version of the Scorecard functionality currently available through Blaze Decision System. Other options are planned for the second half of 2004. Again, application usage may be taken into account when determining "size" of license. Note that these options, in general, are not available on a per CPU basis.

Product Option	Project Size	License Fee	SKU
High Performance Code Generation (Java)	Small	N/A	
	Medium	$100,000	
	Large	$150,000	
	Very Large	$250,000	
XML Manager for Insurance for ACORD-based XML Document Definition with embedded enforcement of conditional data requirements	Small	$75,000	
	Medium	$150,000	
	Large	$300,000	
	Very Large	$500,000	

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7.5   Enterprise / Business Unit Pricing Guidelines

Enterprise or Business Unit (Division) pricing is a standard way of doing business, but it is impossible to have list prices as appropriate pricing is a function of:

- Probable number of applications that will benefit from our decision-making technology
- Size of applications that will use our decision-making technology
- Rate of technology adoption (eg: 20 applications within 5 years or in 20 years)
- Value of reduction in IT costs
- Value of Business agility and precision gain
- Number of product options being purchased as part of the license (current and future)

Contractual restrictions may be considered that formally restrict the number of applications or CPUs that can be deployed as part of defining the size of the license. The following chart is provided for guidelines only – all ELAs must be priced with the participation and approval of product line management.

Enterprise Size	License Fee	SKU
Small – Up to $2 bil/yr sales	$750,000	DDENTSML
Medium – Up to $4 bil/yr	$1,200,000	DDENTMED
Large – Up to $10 bil/yr	$2,400,000	DDENTLRG
Very Large – Up to $20 bil/yr	$4,800,000	DDENTVLRG
Extremely Large – Over $20 bil/yr	Add $1 mil per $10 bil in additional sales/yr	

7.6 Development Seat Pricing

Development seat pricing is in addition to the deployment pricing.

Product	License Fee	SKU
Blaze Advisor Development Tools	$20,000/seat	DDDEV
Blaze Advisor Development Tools – 3 Pack	$52,500	DDDEV3
Blaze Advisor Development Tools – 5 Pack	$75,000	DDDEV5
Blaze Advisor Development Tools - 10 Pack	$125,000	DDDEV10
Blaze Advisor Development Tools – 30 Pack	$250,000	DDDEV30
Blaze Advisor Development Tools – Unlimited	$400,000	DDDEVUNL

The development package entitles a single developer to use all of the design and testing tools that have historically been in Blaze Advisor Builder and Blaze Advisor Innovator Workbench and to run a non-production deployment environment for testing use only.

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7.7   ASP/ISV/OEM Pricing – Blaze Advisor and Blaze Decision System

7.7.1   ISV/OEM Annual Fee

In order to use Blaze Advisor or Blaze Decision System as part of their solution, there is an annual fee of $20,000 for all ISV/OEM deals. This is a fixed annual fee for the right to use the software to develop rules, to embed Blaze Advisor rule services or Blaze Decision System engines in the ISV/OEM's product, to receive software updates when new versions are released and to receive support from the support organizations.

Annual Fee	SKU
$20,000	DTISVBASIC

7.7.2   ISV/OEM Royalty Fees

Royalty payments are due for each end-user sale by the ISV/OEM and are reported and paid on a quarterly basis. The royalty fee can be based on a percentage of net application selling price or on a fee schedule that can take into account end customer size and industry. The amount of the royalty payment can vary widely as ISV usage of our technology can vary widely. The important things to bear in mind are:

- Will the ISV need to give their end customers our design tools?
- Will the rule services need to look at data from multiple databases or from only the ISV's application database?
- What is the typical net selling price of the ISV's application and how does this vary across customer segments

ISV's have the option to decrease the royalty percentage that they owe for each future end-user sale by paying an upfront licensing fee. If an ISV wishes to do this, please contact the relevant MOM(s). Negotiations here involve assessment of royalty stream dependability and timing as well as the time value of money.

When Fair, Isaac and the ISV/OEM finalize and sign a contract, the ISV/OEM receives the right to the unlimited use of development tools for work on a specific application or set of applications while they continue to pay the Annual Fee. The ISV/OEM also receives the "right to embed" deployment components in a specific application or set of applications for the same period. The ISV/OEM's customer then receives the right to use the rule services built by the ISV/OEM. This includes the ability to maintain the rules for any such rule services. Sometimes we also give the ISV/OEM the right to distribute development tools to allow the ISV/OEM's customers to build their own rule services. When this is the case, we receive higher royalties. We also generally restrict the use of development tools to the ISV/OEM's object model. If the end customer needs to develop rule services that use classes that are not part of the ISV/OEM application, he or she typically must buy a standard, unrestricted license directly from Fair Isaac. If necessary or appropriate, exceptions can be made and the ISV's contract can give end users the right to use Blaze Advisor Development and reference data outside of the ISV's application. In these rare cases, the end user's usage must be restricted to specific, named business processes.

7.7.3   ASP Pricing

ASP pricing is also available for named application solutions that embed Blaze Advisor or Blaze Decision System. ASP pricing is higher than standard end-user pricing because the ASP is running a business process on a commercial basis for multiple customers. However, there are multiple ways to price this kind of business. Options include:

1. Standard Development and Deployment license pricing with an additional "right to embed for ASP purposes" license fee
2. Transaction based pricing
3. Percentage of ASP service fees

As with ISV/OEM pricing, there is a minimum annual support fee of $20,000 (SKU=DTISVBASIC) should initial license fees be less than $100,000. Annual support charges on transactional fees or royalty payments are negotiated on a case by case basis.

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7.8 Client-Based Deployment Licensing Fees – Blaze Advisor

This chart is to be used in special cases for customers who do not run their rule services from a centrally accessed server. Each user will have the application, including our Blaze Advisor Deployment runtime software, installed on his or her individual machine. Users may periodically access a central repository and update their rulebases using Blaze Advisor Rule Server, in which case the Rule Server/Engine deployment is covered for the remote machines, but this pricing does NOT cover any installation on the central server.

Client deployment packs must be purchased in the sets listed below. Any price or numbers of user negotiations require approval from the Vice President of the Advisor Product Line.

Standard Client-Based Deployment pricing follows this structure:

Number of Clients	Price/client	Total
10	$3,000	$30,000
25	$2,400	$60,000
50	$2,000	$100,000
100	$1,500	$150,000
250	$1,000	$250,000
500	$750	$375,000
1,000	$500	$500,000
5,000	$200	$1,000,000
10,000	$150	$1,500,000

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8   SUPPORT AND SERVICES

8.1   Technical Support

8.1.1   Standard Annual Support

Annual support is 18% of **net** price for all license fees and is non-discountable. The first year of support is mandatory with all license sales. Current license agreement contracts are "evergreen" contracts. Annual maintenance is renewed unless the customer notifies Fair, Isaac of their desire to cancel support in writing in a timely fashion per the terms of the license agreement.

8.1.2   Upgrades-only Maintenance

Organizations wishing to buy an upgrade-only maintenance contract, one that does not entitle them to any support from Fair, Isaac, may do so. In general this is only available to organizations in countries where Fair, Isaac does not have support staff or where a reseller or distributor is going to handle support issues. Right to product updates alone is 14% of **net** license fees.

8.1.3   Temporary After-Hours Support– Blaze Advisor

Blaze Advisor offers "Temporary After-Hours" support on all support issues. This program is an add-on service offered for a fee of $2000/day to customers that have a current support agreement with Blaze Advisor. This service is typically requested by customers who need extended support when going live, performing final system performance tests, or during migration periods. This permits customers to report any problem during the scheduled timeframe and be guaranteed that up to 5 hours of effort will be available within 1 hour of the opening of the request. **The service is delivered in English only and the fee applies even if no work is performed.**

8.2   Education Services

8.2.1   Blaze Advisor

Classes held at Blaze Advisor's San Jose office:

Type of Class	Number of Days	Price/Student	SKU
Blaze Advisor Fundamentals	5	2,700 USD	BATFUND
Blaze Advisor Advanced Rule Maintenance Application Development	4	2,300 USD	BATADEV
Blaze Advisor Advanced Rule Service Deployment & Advisor Rule Server	4	2,300 USD	BATARS

Classes Held at Customer Site[12]:

Type of Class	Number of Days	Price/Class	SKU
Blaze Advisor Fundamentals	5	17,500 USD	BATFUNDOS
Blaze Advisor Advanced Rule Maintenance Application Development	4	15,000 USD	BATADEVOS
Blaze Advisor Advanced Rule Service Deployment & Advisor Rule Server	4	15,000 USD	BATARSOS

For pricing information in currencies other than the US Dollar, please contact the Director, Educational Services. All prices shown are in US dollars and cannot be discounted.

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[12] Classes held at customer sites are for up to 12 students. Pricing for up to 4 additional students is $5,000. Travel and expenses for all classes held at a customer site are additional.

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8.2.2 Blaze Decision System

Type of Class	Number of Days	Price/Class	SKU
Introduction to Blaze Decision System	3	TBD	DBSINT
Custom project start-up class		$2,500/day	BDSCUST
Advanced VarGen Training	1	$5,000	BDSVARGEN

8.2.3 Model Builder for Decision Trees

Type of Class	Number of Days	Price/Class	SKU
Introduction to Model Builder For Decision Trees	1	$5,000	MBDTINT

8.2.4 Model Builder for Predictive Analytics

Type of Class	Number of Days	Price/Class	SKU
MBPA Basic Training	3	$15,000	
MBPA Scorecard Module Training[13]	4	$20,000	
MBPA Technical Implementation Training[14]	3	$15,000	

8.2.5 Decision Optimizer

All training for this product is quoted as professional services on a daily basis

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[13] Required for Scorecard Module customers

[14] Required for customers who will use MBPA for model deployment

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9   APPENDIX

9.1   Current Product Mapping

9.1.1   Blaze Advisor

Blaze Advisor remains for sale under the same name

9.1.2   Decision System

Decision System has been renamed Blaze Decision System.

9.1.3   Inform+

Inform+ is replaced by Model Builder for Predictive Analytics. INFORM technology is an optional module within Model Builder for Predictive Analytics

9.1.4   Strategy Designer

Strategy Designer is renamed Model Builder for Decision Trees

9.1.5   OSE/Virdix

OSE/Virdix is renamed Decision Optimizer

9.1.6   Strategy Optimizer

Strategy Optimizer will not be sold to customers – Decision Optimizer will be sold instead.

9.2   Detailed Product Descriptions

9.2.1   Business Science Suite

The Fair, Isaac Business Science Suite is the complete set of model building, rules management, and optimization tools and technologies.

9.2.2   Decision Optimizer

Decision Optimizer is a workbench-based product that allows for the construction and execution of portfolio optimization models. There is no deployment component, as such, as the output of a modeling run is recommended actions for individual accounts in the portfolio or for the various segments in the portfolio.

9.2.3   Model Builder for Predictive Analytics

Model Builder is a series of workbench components that allow various predictive models to be developed and then exported to an execution environment.

9.2.4   Blaze Advisor

9.2.4.1 Blaze Advisor Development

The development package entitles a single developer to use all of the design and testing tools that have historically been in Blaze Advisor Builder and Innovator Workbench and to run a non-production deployment environment for testing use only.

Note: The non-production deployment will be time-limited, requiring periodic confirmation that the system is not in production use for renewal. The standard time out is 270 days.

Definition:

A non-production deployment license allows the software to be run on a system used to process non-production data, such as deployments supporting quality assurance, testing, or training. Each license is for the design tools on a single physical machine of any size. The Deployment license can be used for any non-production activity listed above on any machine, but may not be used to support production-level operations of the company.

9.2.4.2 Blaze Advisor Deployment

A deployment license for Blaze Advisor Rule Server and Engine allows the software to be run on a system handling production-level processing. This means working with real data supporting the actual business operations of the company,

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whether customer-facing or internal. It is not intended for systems used solely to support quality assurance, testing, or training. Production deployment licenses are made available for a specified number of processors (either in a single physical machine or cumulative across multiple machines).

The system for which the license has been purchased may use up to the specified number of processors to run Blaze Advisor rule services. The customer's license must be upgraded for additional processors if additional processors are needed to support production loads. A license for one machine may be transferred to another machine as long as only one of the systems is running production on the specified number of processors. If a second machine is used in parallel to provide hot backup in a production environment then a hot backup license must be purchased from Blaze Advisor.

9.2.5 Blaze Decision System

Blaze Decision System is a workbench that allows for the importing of models, development and testing of rules and model executions and the generation of standalone code for use in production systems.

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